

SKYLINE

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TIF opponents meet to question city's use of siphoned property tax revenue

\$720 million taken in 2011

STORY AND PHOTOS BY PATRICK BUTLER

More than 100 opponents of Chicago's Tax Increment Financing (TIFs) took what they hope are the first steps toward toppling or at least reforming the controversial program that diverts tax dollars into a special fund that is spent primarily on the discretion of the Mayor's office.

TIFs are a special funding tool used by the City to promote public and private investment. Funds are supposed to be used to build and repair roads and infrastructure, clean polluted land and put vacant properties back to productive use, usually in conjunction with private development projects.

TIF funds are generated by growth in the Equalized Assessed Valuation of properties within a designated district over a period of 23 years which are siphoned off and diverted to special projects.

Part of the problem is that many people don't understand how TIFs work and how they siphon away tax money that should be going to the schools, parks and other public services. Those dollars that are siphoned away must be replaced with new property tax dollars generated in non-TIF areas.

During the two-hour Feb. 12 meeting hosted by the Tax Integrity and Fairness Alliance at the Chopin Theater, 1343 W. Division, journalist Ben Joravsky, self-described "citizen activist" Tom Tresser and Richard Dye of the Univ. of Illinois/Chicago Institute of Government and Public Affairs mulled over a variety of possible strategies.

Joravsky, a former Booster-Skyline reporter whose name has become synonymous with the anti-TIF moment, and Valerie Leonard of the Lawndale Alliance, agreed an elected school board would be a good start.

"All these years the Chicago school board has been embarrassingly silent. They're losing money and they're not saying anything. If just one person on an elected school board would speak up, I think we'd begin having some oversight on the program," Joravsky said.

"The thing that bothers me about the current Board of Education is that they have power going all the way up to the



Richard Dye, Tom Tresser, moderator Valerie Leonard, and Ben Joravsky discuss the intricacies of TIFs during Feb. 12 roundtable sponsored by the TIF Alliance, a citywide coalition that includes groups as diverse as the Gray Panthers, Chicago Teachers Solidarity Campaign, and the Progressive Democrats of America.

White House. But they won't go to Springfield and actually advocate for better policies," Leonard said, referring to Arne Duncan, U.S. Secretary of Education, who once served as the chief executive officer of the Chicago Public Schools [CPS].

Tresser, organizer of a "TIF Illumination" campaign to train activists to spread the word about how TIFs are actually hurting the neighborhoods they purport to help, would like to see organizers in every ward start giving people a course in "financial literacy," then push for local "participatory budget" processes like they already have in the 49th Ward.

The next step, Tresser said, "would be to try to work through your state Reps" because the TIF program requires state legislation to exist. "But I'll warn you that you'll be met with fierce resistance [to change] and you'll get a lot of double talk."

In 2006, he added, the Cook County Board considered listing TIFs on property tax bills along with other taxing bodies like the CPS and the Chicago Park District which also receive a share of the property taxes raised annually. "Mayor (Richard M.) Daley sent a horde of aldermen including onetime independent Helen Shiller (46th) to get the board to bury the proposal," Tresser said, adding that "one commissioner, Larry Sufferdin, said it would just confuse the taxpayers."

"A second more obvious way would be to elect aldermen who would end the program," he said. "But both prospects are pretty bleak."

The problem with TIFs isn't so much the concept as the way they're handled here in Chicago, said Dye, noting that while TIFs are supposed to provide an economic boost to struggling areas, "TIFs don't work in blighted areas. They work best in areas that were going to develop anyhow," Dye said.

Some of the 'blighted' areas on Chicago's North Side that have TIF districts include the Clybourn Corridor, Lakeview,

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Uptown, North Center and Lincoln Square, Edgewater, Andersonville and Rogers Park.

Joravsky agreed that part of the problem is that many people don't understand how TIFs work and how they siphon away tax money that should be going to the schools, parks and other public services. Those dollars that are siphoned away must be replaced with new property tax dollars generated in non-TIF areas. The individual taxing bodies budgets don't go down just because the revenue coming from a particular TIF district does. If the budgets remain the same then property taxes will rise in areas outside of TIF zones to make up the difference.

According to the TIF Alliance, TIFs are

property taxes diverted from traditional taxing bodies into funds directly controlled by the Mayor's office.

Tresser said Chicago's 173 TIFs presently make up "30% of the land mass of Chicago. There is no alderman, no executive director to complain to. I don't understand how we can be broke and have all this money just sitting there," he said, noting that all the TIFs in Cook County generated \$720 million in 2011, the last year for which complete figures were available.

Joravsky, however, sees at least a glimmer of hope. "We've successfully turned the three letters TIF into something the general public now knows is B-A-D. And Mayor Rahm Emanuel hasn't created any new TIF districts in the past year as far as I know, which is progress."



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